
April 08, 2009

SALES QUALIFICATION PROCEDURES FOR THE STATE SALES FILE

Purpose. The purpose of this directive is to provide specific procedures regarding the determination of qualified or non-qualified sales for use in the states sales file.

Terms. The following term is used throughout this Directive:

Selling Price for use in the sales file shall mean:

1. The adjusted purchase price reported on line 24 of the Real Estate Transfer Statement, Form 521; or
2. If no amount is reported on line 24 of Form 521, the purchase price as reported on line 22 of Form 521, less the amount reported on line 23 of Form 521, if any; or
3. If no amount is reported on line 24 or line 22 of Form 521, or if the amount reported on either of said lines is less than \$100.00, then, if documentary stamp tax is reported on Line 27 of Form 521 and it is greater than \$2.25, the *selling price* will be computed from the reported documentary stamp tax amount.
4. If it is appropriate to combine partial interests to construct a *selling price* of a sale, the *selling price* as set forth in any of the above may be modified to include all of the interests that were reported on corresponding Form 521s to reflect the total *selling price* of the sold parcel.

Standards. The following standards shall be applied during the process of qualifying a sale for use in the state's sales file:

Standard 1: Sale shall mean all real property transactions with stated consideration of more than one hundred dollars or upon which more than two dollars and twenty-five cents, for each one thousand dollars value or fraction thereof, in documentary stamp taxes are paid.

Standard 2: All sales are deemed to be qualified sales.

Standard 3: A sale determined to be a non-qualified sale shall be verified pursuant to professionally accepted mass appraisal techniques and through verification shall document sufficient and compelling information regarding the sale as a non-qualified sale.

Standard 4: The *selling price* of a sales transaction shall not be adjusted unless verified pursuant to professionally accepted mass appraisal techniques and documented with sufficient and compelling information that the adjustment is required to reflect the actual value paid for the real property.

Standard 5: A sales transaction shall not be coded as non-qualified unless the sale has been verified pursuant to professional accepted mass appraisal techniques and determined through the verification that the sale is a non-qualified sale.

Procedures.

A sales verification shall include, but not be limited to, the process of collecting, confirming, screening, and documenting any non-qualification of, or adjustment made to, the reported sale price. Familiarity with the real estate market of the county and other general knowledge the county assessor has regarding the sale may also be relied upon in determining the qualification of a sale. The county assessor shall document and maintain in his or her office, all information collected during a sales verification, including but not limited to, the parties contacted and the source used to confirm the sale usability decision. The sales reviewer should take the position that all sales are candidates as valid sales for the ratio study unless sufficient and compelling information can be documented to show otherwise.

The county assessor may designate the sale with a sales usability code as follows:

- Code 1 = *a qualified sale*. If this field contains a blank, zero or 1, the sale shall be used in the sales file, or
- Code 2 = *a qualified sale, sale should be used as adjusted*. If the *selling price* is adjusted, the county assessor shall state the amount of the *adjustment* in the Assessor's Adjustment to Sale Price section of the Supplemental worksheet, the reason for the *adjustment* in the assessor's comment section of the Supplemental worksheet, or
- Code 3 = *sale should not be used in study, substantially changed*. In the assessor's comment section of the Supplemental worksheet, an assessor should provide a narrative explanation of the reason, which should include the nature of the details of the change that took place, or
- Code 4 = *sale will not be used in study*. The county assessor shall state the reason for the disqualification of the sale in the assessor's comment section of the Supplemental worksheet.

The Division shall not overturn a determination made by a county assessor regarding the qualification of a sale or an adjustment to the *selling price* unless the Division verifies the sale and determines through the verification process that the determination made by the county assessor is incorrect or for one of the following reasons:

1. County assessor failed to provide a reason for *adjusting* the *selling price* or for disqualifying the sale, the Division may include the sale in the sales file, without *adjustment*; or
2. County assessor has indicated a reason for the adjustment of a sale or the disqualification of a sale, and the reason is not in compliance with professionally accepted mass appraisal techniques, the Division may include the sale in the sales file, without *adjustment*; or

If the Division does not agree with the decision of the county assessor, the Division, within seven (7) days of such determination, shall notify the county assessor in writing that the sale will be included in or excluded from the sales file or that the *adjustment* amount to the sale is changed. If the county assessor disagrees with the determination made by the Division, the county assessor may file a written protest of the Division's determination pursuant to the sales protest procedures.

Sales Protest Procedure. Within thirty (30) days from the mailing of the notice that the usability of a sale or the *adjustment* amount was changed, the county assessor may file a protest with the Tax Commissioner, using the sales file protest form. Any such protest shall be filed pursuant to Title 350, Nebraska Administrative Code, Chapter 12, REG-12-004.

The final determination of the Tax Commissioner may be appealed to the Tax Equalization and Review Commission pursuant to Neb. Rev. Stat. Section 77-5007 (R. S. Supp 2007).

APPROVED:

/s

Douglas A. Ewald

Tax Commissioner

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